

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 59th LEGISLATURE - REGULAR SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE ON NATURAL RESOURCES AND COMMERCE

Call to Order: By **CHAIRMAN RICK RIPLEY**, on February 15, 2005 at 8:00 A.M., in Room 317-C Capitol.

ROLL CALL

Members Present:

Rep. Rick Ripley, Chairman (R)
Sen. Ken (Kim) Hansen, Vice Chairman (D)
Sen. Gregory D. Barkus (R)
Rep. Rosalie (Rosie) Buzzas (D)
Sen. Bob Hawks (D)
Rep. Walter McNutt (R)

Members Excused: Rep. John L. Musgrove (D)

Members Absent: None.

Staff Present: Britt Nelson, Committee Secretary
Eileen Rose, OBPP Representative
Barbara Smith, Legislative Branch

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted:
Executive Action: Department of Fish, Wildlife and
Parks

EXECUTIVE ACTION ON THE DEPARTMENT OF FISH, WILDLIFE AND PARKS

The City Manager's Office provided written testimony before the meeting for the Committee, regarding the Urban Wildlife Working Group.

EXHIBIT(jnh37a01)

Barbara Smith discussed the various handouts she provided to the Committee members. The first three handouts were concerned with the Automated Licensing System. She also referred to her memo to CHAIRMAN RIPLEY dealing with Decision Package 104 -- Automated Licensing System. Next she discussed the requested rates for internal service and enterprise funds. The last handout she discussed was the large spreadsheet on the break down of the updated Decision Packages. She also provided the Committee members with a handout covering the additional DPs requested by the Fish, Wildlife and Parks Department (FWP).

EXHIBIT(jnh37a02)

EXHIBIT(jnh37a03)

EXHIBIT(jnh37a04)

EXHIBIT(jnh37a05)

EXHIBIT(jnh37a06)

EXHIBIT(jnh37a07)

EXHIBIT(jnh37a08)

She suggested that the Committee move the Base, Statewide Present Law Adjustments and take a look at the Proprietary Rates since a number of packages were tied to the Vehicle Proprietary Rate. She also suggested that they move the Internal Service Adjustments once they have moved the Proprietary Rates. She mentioned that the Committee could look at Legislative Contract Authority together as well. She then suggested that they go through each Division; finishing with language.

Until REP. MUSGROVE arrived SEN. HANSEN voted for him by proxy.

{Tape: 1; Side: A; Approx. Time Counter: 0 - 6.2}

Motion/Vote: SEN. BARKUS moved that the BASE AND PRESENT LAW ADJUSTMENT BE ADOPTED. Motion carried unanimously by voice vote with REP. MUSGROVE voting by proxy.

Motion/Vote: REP. MCNUTT moved that the PROPRIETARY RATES BE ADOPTED. Motion carried unanimously by voice vote, with REP. MUSGROVE voting by proxy.

Ms. Smith commented that when the Committee passed the Vehicle Fleet numbers, those numbers would correspond to the individual requested internal services adjustments. She noted that since the vehicle fleet rates were approved, the Committee could move DP 209, 308, 412, 510, and 610 at the same time.

SEN. BARKUS inquired whether DP 610 was the DP concerned with capitol grounds maintenance.

Ms. Smith replied that DP 610 was the adjustment for the vehicle fleet charges that were passed for the Parks Division.

{Tape: 1; Side: A; Approx. Time Counter: 6.2 - 11.7}

Motion/Vote: REP. MCNUTT moved that DP 209 -- 308, 412, 510, AND 610 BE ADOPTED. Motion carried unanimously by voice vote with REP. MUSGROVE voting by proxy.

Motion: SEN. HANSEN moved that LEGISLATIVE CONTRACTING SERVICES PACKAGES; DP 306, 407, 508, 603 BE ADOPTED.

Discussion:

Ms. Smith informed the Committee that the Department previously had legislative contract authority but it had been removed last session. The removal caused a number of budget amendments. The issue she placed before the Committee was; do they want to provide the Department with the authority to spend the federal dollars as they come in or would they want to have some over-site to the process. Speaking for the Legislative Fiscal Division she suggested that they have over-site.

CHAIRMAN RIPLEY wondered if contract authority would go into the base for the next session.

Eileen Rose replied that it would go into the base for the next session unless designated as a one-time-only (OTO).

SEN. BARKUS interjected that they were all listed as OTO.

SEN. BARKUS asked why DP 306 had such a dramatic increase in 2004.

Chris Hunter, Administrator of the Fisheries Division, responded that in 2004, they had \$3.4 million in budget amendments. He explained that most of that money was for one contract with the Army Corps of Engineers.

Ms. Smith inserted that the numbers she had provided were from a point in time during November.

SEN. BARKUS followed up by asking if the budget amendments came in at the end of the year or if they were spread out throughout the year.

{Tape: 1; Side: A; Approx. Time Counter: 11.7 - 19.7}

Mr. Hunter explained that it would come in over the course of the year.

Vote: Motion carried unanimously by voice vote with REP. MUSGROVE voting by proxy.

{Tape: 1; Side: A; Approx. Time Counter: 19.7 - 21.9}

EXECUTIVE ACTION ON THE DEPARTMENT OF FISH, WILDLIFE AND PARKS:
ADMINISTRATION AND FINANCE DIVISION

Motion: SEN. BARKUS moved that DP 101 -- SHEEP AUCTION COMMISSION BE ADOPTED and RESTRICTED.

Discussion:

SEN. HAWKS had several questions about DP 101: 1) He wondered why it was not rolled into DP 501, and 2) why would it make more sense, if the amount is undetermined, to allocate funding at this time rather than wait for a budget amendment and meet the exact amount.

Ms. Smith addressed SEN. HAWKS' second question. She informed the Committee that the funding would be considered State Special Revenue and this can only come through the budget amendment process in case of an emergency. She noted that the average amount for the sheep auction since 1986 was \$149,763.

Ms. Daly addressed SEN. HAWKS' question on why DP 101 was segregated from DP 501. She indicated that all commissions were paid out of the Administration and Finance Budget so by keeping the sheep auction in the Administration and Finance Division they maintained consistency.

SEN. HAWKS followed up by asking why the same provisions were not included under the budget for the elk, moose and deer auctions.

Ms. Daly responded that the elk, deer and moose auctions were also in the Administration and Finance Budget but they did not fluctuate as much on the licenses as the sheep auction does.

CHAIRMAN RIPLEY asked Ms. Smith if there was a particular year that they had sold the auction for \$300,000.

Ms. Smith indicated that the Department had sold the auction for \$310,000 in 1994 and \$300,000 in 1998. She noted that it had received large amounts of money between 1993 and 1998 but since then it has dropped dramatically.

{Tape: 1; Side: A; Approx. Time Counter: 21.9 - 27.3}

SEN. HAWKS wondered if there was a high dollar bid and it exceeded \$14,000 then there would have to be a budget amendment.

Ms. Smith disagreed. She indicated that they would have to find money in their budget authority to pay. She mentioned that there was a \$16,000 base in the auction commission and the \$14,000 would raise it \$30,000 allowing them to pay a commission on a \$300,000 auction bid.

CHAIRMAN RIPLEY expressed concern regarding the increase over the average.

Ms. Rose indicated that the account was a dedicated revenue so the authority could only be spent on the auction bid if the Committee restricted the DP.

Vote: Motion carried unanimously by voice vote.

{Tape: 1; Side: A; Approx. Time Counter: 27.3 - 30.9}

At 8:35 A.M. REP. MUSGROVE arrived.

Motion: SEN. HAWKS moved that DP 103 -- SEASONAL OVERTIME BE ADOPTED.

Discussion:

SEN. BARKUS asked if the funding would not roll forward to the base budget since it was entitled 'Seasonal Overtime.'

Ms. Smith agreed with SEN. BARKUS' assessment and stated that overtime would not go into the base automatically.

Vote: Motion carried unanimously by voice vote.

{Tape: 1; Side: A; Approx. Time Counter: 30.9 - 32.8}

Motion: SEN. BARKUS moved that DP 104 -- AUTOMATED LICENSING SYSTEM OPERATIONS TRANSITION BE ADOPTED AS AMENDED TO INCLUDE 18 FTE IN 2006 AND 14 FTE IN 2007 WITH THE SAME DOLLAR AMOUNT.

Discussion:

Ms. Smith addressed the Automated Licensing System. She referred to Exhibits 2 and 4 explaining how those changes would affect the Decision Packages and the amounts allocated for the DPs. She then referred to another handout which provided a quick glance at the operations part of the base through the 2009 biennium. She noted that the field staff were being requested not only for the devices for the ALS transactions but the devices that are in the vendor's stores. She mentioned that they would also be helping with other parts of Information Technology (IT) within the FWP regions. In summary, she stated that the Department was asking to remove contracted dollars and replace them with 18 full-time-equivalents (FTE) which would provide a savings in this biennium but there would be no guarantee that the savings would continue. The question she posed to the Committee was, "How many FTE would they want to provide and at what level of oversight would they want."

EXHIBIT (jnh37a09)

{Tape: 1; Side: A; Approx. Time Counter: 32.7 - 47.1}

CHAIRMAN RIPLEY expressed a concern about hiring and retaining qualified staff. He felt that it would be great to show a savings or break even, having people employed in Montana, yet it was a large change.

SEN. HAWKS wondered if it was possible to realistically provide the security needed for the System.

Ms. Daly mentioned that one of the positions in the proposal was for a Security Officer whose primary purpose would be to protect the data from hackers and viruses.

SEN; HAWKS followed up by inferring that Ms. Daly was suggesting that the position would be able to attract personnel who would be able to do the job properly.

Ms. Daly expressed that they were not experiencing the amount of turnover in IT at FWP as were other State agencies. She was

confident that they would be able to hire staff who would be committed and experienced.

SEN. HAWKS reiterated his question, asking if they would be able to hire an individual with the degree of sophistication needed.

Ms. Daly replied that it was their plan to hire someone who was qualified and they would not settle for less.

{Tape: 1; Side: B; Approx. Time Counter: 0 - 3.5}

SEN. BARKUS wanted to know how many of the FTE were for conversions and how many were ongoing positions.

Ms. Daly explained that the new staff would work with the contractors until February 2006. When the transaction occurs, the new FTE positions would then be the complete ALS staff.

CHAIRMAN RIPLEY brought up the question of hiring 18 individuals within 52 days.

Ms. Daly informed the Committee that they would be starting the advertising process prior to July 1, 2005. She also noted that they would have to factor in the vacancy savings component. Their goal is to hire the FTE with the most to learn as soon as possible, so they could work with the contractors.

{Tape: 1; Side: B; Approx. Time Counter: 3.5 - 6.1}

REP. BUZZAS inquired if, since the current contract expires February 28, 2006, there would be overlap.

Ms. Daly replied that there would be a transition process where there will be overlap between the contractors and the requested FTE.

REP. BUZZAS wondered if there would be a higher budget since there would be the overlap.

Ms. Daly responded that the current contractor's cost was already in the budget. What they were asking for was money for personal services. She elaborated that after the contract was up, the costs would be just for the 18 FTE.

CHAIRMAN RIPLEY requested Ms. Daly provide the amount of savings expected.

Ms. Daly informed him that there would be approximately \$168,000 in each year of the biennium.

Ms. Smith clarified that there was \$32,900 per year in the package of vacancy savings that the Department would need to meet.

{Tape: 1; Side: B; Approx. Time Counter: 6.1 - 8.8}

CHAIRMAN RIPLEY referred to Ms. Smith's ideas on savings concerning the FTEs. He requested that the Division comment on their feelings on the 10% savings versus the 18 FTE.

Ms. Daly indicated that the proposal they had put together was what they had decided they need in order to make the Program work. She requested that if they were going to reduce the FTE, the Committee would allow the Division to keep the bottom line dollars so they could maintain their services. She mentioned that they had gone through an internal process to find a feasible amount of FTEs to make the Program work. Any bottom line reductions would cause them to reduce services or delay the project.

CHAIRMAN RIPLEY asserted that there would be no savings within a three-year time period.

Ms. Daly attested that it would depend on how they compared it. She assumed that even in three years, they would be able to keep the costs cheaper by doing it in-house rather than contracting out.

Ms. Smith commented that there was no comparable system in State Government.

{Tape: 1; Side: B; Approx. Time Counter: 8.8 - 12.6}

REP. MCNUTT noted that all computer systems require enhancements and updates, he wanted to know if they were going to end up having to go back to a contractor to take care of these upgrades.

Ms. Daly reported that there were no major enhancements planned for ALS. The enhancements which they would consider would be at the direction of legislative action. The staff in the proposal are programmers to handle day-to-day software changes. She noted that if they were required to make major changes in software then they would have to explore that option.

SEN. HAWKS commented that there is no way the Division could anticipate more than four to five years. The risk is lower with a good system in place already but if it fails, then the only thing to do would be to renegotiate the contract and move on.

SEN. BARKUS suggested a reduced FTE for the second year while keeping the funding at the same level. He felt that after the implementation stage there would not be a need for the increased FTE.

Ms. Daly responded by reiterating **SEN. BARKUS'** suggestion. She was unclear if he was indicating that in the second year there would be less need for the FTE. She informed the Committee that there were currently 34 contract employees. She insisted that they would need all of the 18 FTE to cover the responsibilities of the contractors once they left. She agreed that the nature of license sales would be seasonal and the work to maintain the system would be year round.

SEN. BARKUS asserted that the system was already in place. He felt that with the system already in place, they were talking about a different aspect which they needed to cover; the help desk and IT functions. He mentioned that there were employees across the State answering questions and they had all of the licensing equipment in place. He was under the assumption that the transition would be easy and the only thing the in-house crew would have to take care of was the help desk.

{Tape: 1; Side: B; Approx. Time Counter: 12.5 - 21}

Ms. Daly replied that the system was in place but it required maintenance and the license agents still need the Division to be responsive. The FTEs would provide agents in the field where they could provide a help desk and meet the needs of the agents as well as respond to changes and upgrades of the system.

Chris Smith, Chief of Staff, elucidated that it would take more work to accomplish the transition than it would to run the system later on. However, there would be staff overlap during the transition. Therefore, the additional work needed during the transition will be taken care of by the employment of the contractors as well as the 18 FTE. After the transition period, there will be a decrease in employees because of the loss of the contractors. He pointed out that after the transition, there will be less employees than are currently being used to run the system; 18 FTE as compared to the 34 contractors.

{Tape: 1; Side: B; Approx. Time Counter: 21 - 26.1}

REP. MCNUTT commented that he never sees a decrease in the workload. He pointed out that the contractors might leave but the workload will not decrease. He did not see any of the FTEs as being disposable.

SEN. BARKUS responded that in his company they have 700 workstations and only one IT facilities coordinator. He claimed that with a staff of five, he is able to help over 700 workstations through the internet and interfaces. He questioned the need for having a roving field employee in every region. He doesn't want the agency to build up 18 FTEs for an ongoing process when there might not be enough work for them to do.

{Tape: 1; Side: B; Approx. Time Counter: 26.1 - 30.5}

CHAIRMAN RIPLEY added that much of the work was also seasonal work.

REP. BUZZAS asked if there would be a specific region that **SEN. BARKUS** wanted to cut staff from or if it would be up to the Department.

Ms. Smith interjected that it would be up to the Committee either way.

Mr. Smith reported that if they had to reduce FTE, then they would look at the regional positions first. The most likely course of action would be to combine regional support staff, reducing the number of support staff to devices. The other, more centralized components such as the help desk and programming staff, would be harder to decrease.

{Tape: 1; Side: B; Approx. Time Counter: 30.5 - 35.1}

REP. BUZZAS followed up by asking where they potentially would combine the regions.

Mr. Smith replied that the most likely reduction would be to combine regions five and seven, operating out of Billings or combining regions six and seven and operate out of Miles City or Glasgow. Either way, it would occur in the eastern part of the state although that would increase the travel costs.

REP. MUSGROVE felt that within the next two years they were going to need the entire 18 FTE, although this might change after the biennium. He was curious if there was some way they might be able to reexamine DP 104 after the biennium.

Ms. Smith informed the Committee that they had the ability to use their restrictions and make DP 104 one-time-only (OTO). She enjoined that the difficulty with making it an OTO is that they were looking for technical staff and the two-year horizon might

prevent some recruiting. She suggested putting in oversight language.

CHAIRMAN RIPLEY wondered if there was any reason to believe that the contract would increase.

Ms. Daly claimed that the current contract with MCI would increase significantly since MCI had not made the money out of the contract that they were expecting. The cost to rebid would be significantly higher.

Director Hagener added that Texas and Washington had entered into contracts with MCI for similar systems and they were near twice the cost of the original contract with Montana.

{Tape: 1; Side: B; Approx. Time Counter: 35.1 - 44}

SEN. HAWKS noted that there was a change occurring within MCI which might cause problems.

REP. MCNUTT wondered if there should be language requiring a report to go the Environmental Quality Committee (EQC) during the interim.

REP. MUSGROVE was concerned with dropping the four FTE in 2007 when the Division would be taking over the operation entirely. He felt that the Committee might be creating a problem rather than solving the problem.

{Tape: 1; Side: B; Approx. Time Counter: 44 - 50.4}

Mr. Smith suggested that instead of having 18 FTE in the first year and 14 in the second year it would be better having 16 FTE in each year. This would allow them to manage a stable number of employees which he felt would be easier and more beneficial.

SEN. BARKUS wanted to give them the authority, if there was a necessity for an increase in the number of employees during the conversion.

Ms. Smith indicated that if the Committee took Mr. Smith's recommendation of 16 FTE per year, they would still have the ability to use modified or temporary FTE during the first year of the biennium.

{Tape: 2; Side: A; Approx. Time Counter: 0 - 2.1}

Substitute Motion/Vote: SEN. BARKUS made a substitute motion that DP 104 -- AUTOMATED LICENSING SYSTEM OPERATIONS TRANSITION BE ADOPTED AS AMENDED TO INCLUDE 16 FTE PER YEAR OF THE BIENNIUM WITH RESTRICTED LANGUAGE TO REPORT TO THE LEGISLATIVE FISCAL COMMITTEE (LFC) IN OCTOBER, 2005 AND JUNE, 2006. Substitute motion carried 6-1 by voice vote with REP. RIPLEY voting no.

{Tape: 2; Side: A; Approx. Time Counter: 2.1 - 6.2}

Motion/Vote: REP. MUSGROVE moved that DP 105 -- SEARCH AND RESCUE TRANSFER BE ADOPTED. Motion carried unanimously by voice vote.

{Tape: 2; Side: A; Approx. Time Counter: 6.2 - 7.1}

EXECUTIVE ACTION ON THE DEPARTMENT OF FISH, WILDLIFE AND PARKS:
FIELD SERVICES DIVISION

Motion: SEN. HANSEN moved that DP 201 -- BLOCK MANAGEMENT BE ADOPTED AS AMENDED TO INCLUDE CONTINGENCY LANGUAGE BASED ON THE PASSAGE OF SB 77.

Discussion:

SEN. HAWKS wondered if there should be contingency language with SB 77.

Ms. Smith agreed that there needed to be contingency language. The contingency language would be based on SB 77 passing and would add the DP back in.

SEN. HAWKS asked if there was a DP for the reverse process which would be presented later.

Ms. Smith explained that there would be a package later for restoring a OTO that was made last session on Block Management which would still be contingent on passage of the bill.

Vote: Motion carried unanimously by voice vote.

{Tape: 2; Side: A; Approx. Time Counter: 7.1 - 10}

Motion: SEN. BARKUS moved that DP 202 -- GENERAL RECREATION USE OF STATE LAND BE ADOPTED.

Discussion:

Ms. Smith commented that the base in fiscal year 2004 was \$515,000, not \$47,000. The DP would then be adjusted to approximately \$975,000 of authority.

SEN. BARKUS asked if the \$40,000 extra was for the purchase of state land permits by non-hunters and fishers.

Ms. Smith replied that the number should be ignored.

SEN. BARKUS clarified then that the total would be \$920,000 on DP 202. He wanted to know if there was something in the base of \$70,000.

Ms. Smith responded that they were asking for \$460,000 per year and their base expenditures were \$515,000, so the new base would be \$975,000.

Vote: Motion carried unanimously by voice vote.

{Tape: 2; Side: A; Approx. Time Counter: 10 - 13.3}

Motion: REP. MUSGROVE moved that DP 203 -- TAXES BE ADOPTED AS AMENDED WITH THE NEW AMOUNTS PROVIDED.

Discussion:

Ms. Smith informed the Committee that there was a new number provided for the taxes. She suggested that they do a substitute motion from \$34,087 in the first year and \$77,160 in the second year to adjust to what they would actually need. With the new level the funding is mostly general license dollars, 80% general and 20% federal funding. She was unsure as to why the change in amounts caused a change in the split between the funding sources.

Glenn Erickson, Administrator of the Field Services Division, explained that many of the property taxes the Division pays are not eligible for federal assistance. The particular project which is increasing is a State funded project without any federal dollars. He noted that the previous request was only for the lands available for federal assistance.

SEN. MUSGROVE clarified that the motion was with the new adjusted amounts.

Vote: Motion carried unanimously by voice vote.

{Tape: 2; Side: A; Approx. Time Counter: 13.3 - 17.3}

Motion: REP. MCNUTT moved that DP 205 -- PUBLIC WILDLIFE INTERFACE BIENNIAL BE ADOPTED.

Discussion:

SEN. BARKUS asked if the DP would be added to the base budget.

CHAIRMAN RIPLEY stated that there would be no change to the previously approved base budget.

Ms. Smith added that the DP was to reestablish a biennial base of \$65,000 and if they did not spend the money they would be back to adjust the base next biennium.

CHAIRMAN RIPLEY noted that the Division was fully contracted with 24 grants but only spent \$18,000.

Mr. Erickson indicated that the contracts were fully committed for the \$65,000. The reason he gave for having less payments in the first year was because they paid a part of the contracts up-front.

{Tape: 2; Side: A; Approx. Time Counter: 17.3 - 20.6}

Vote: Motion carried unanimously by voice vote.

Motion: SEN. BARKUS moved that DP 206 -- NET CLIENT HUNTER USE - RESTRICTED BE ADOPTED AS AMENDED WITH \$20,000 BIENNIAL RESTRICTED.

Discussion:

Ms. Smith cited that it was a base adjustment back to the previous level of \$40,000. She stated that the review of the Net Client Hunter Use (NCHU) Permit was not predictable although they did not have a lot of expenditures over the last two fiscal years. She noted that one of the LFD issues is having an appropriation where it is contingent on something else occurring. The \$40,000 would be waiting on a permit review. She felt that based on past history the DP was over-appropriated.

CHAIRMAN RIPLEY inquired if Ms. Smith's statement was based on the fact that the Division had been spending \$2-3,000 per year.

Ms. Smith agreed with this statement and reported that based on the historical expenditures, unless there were a number of permits expected, \$10,000 would be sufficient.

Mr. Erickson agreed that the permits were hard to predict. He expressed that with the three year use-it-or-lose-it system, most outfitters would have to come forward with new applications in order to get new clients. He expected that they would get applications although they could not predict how many it might be. He felt that they would be able to get by with whatever amount the Committee chose to appropriate although they would prefer more than \$10,000.

{Tape: 2; Side: A; Approx. Time Counter: 20.6 - 24.8}

SEN. BARKUS wondered what affect drought and fires had on the outfitting community.

Mr. Erickson was unsure what affect drought and fires had on NCHU permitting.

CHAIRMAN RIPLEY wanted to save as much as they could in the General License Account and supported the \$10,000 per year.

Vote: Motion carried unanimously by voice vote.

{Tape: 2; Side: A; Approx. Time Counter: 24.8 - 27.6}

Motion: SEN. HAWKS moved that DP 220 -- RESTORE BLOCK MANAGEMENT BE ADOPTED AS AMENDED TO INCLUDE CONTINGENCY LANGUAGE ON SB 77.

Discussion:

Ms. Smith clarified that SEN. HAWKS had moved the DP with contingency language.

SEN. BARKUS asked if the two FTE were spread between the ten seasonal technicians.

Ms. Smith affirmed this, stating that the Division would be taking the hours of two full-time employees and dividing it among ten FTE.

Vote: Motion carried unanimously by voice vote.

{Tape: 2; Side: A; Approx. Time Counter: 27.6 - 32.5}

Motion: REP. MUSGROVE moved that DP 208 -- URBAN WILDLIFE BE ADOPTED AS AMENDED TO INCLUDE LANGUAGE REQUESTING A REPORT ON THE DIVISION'S ACTIVITIES.

Discussion:

SEN. HAWKS wondered if the assistance plans were short term or if it should be an ongoing effort. It seemed to him that cities and towns would be able to take the plan and implement it on their own.

Mr. Erickson reported that it was a long-term program established through legislation in the last session. The Department has to review the cities' plans and work with them to carry them out.

CHAIRMAN RIPLEY wanted assurances of the outcomes for the project.

Mr. Erickson replied that they need to develop a policy within the Department, guidelines for how to assist cities in developing their plans and work with individual cities in establishing their plans.

CHAIRMAN RIPLEY indicated that he wanted language attached requiring the Division to report back to the Committee in order to provide assurances.

Vote: Motion carried unanimously by voice vote.

{Tape: 2; Side: A; Approx. Time Counter: 32.5 - 43}

EXECUTIVE ACTION ON THE DEPARTMENT OF FISH, WILDLIFE AND PARKS:
FISHERIES DIVISION

Motion: SEN. HAWKS moved that DP 302 -- LOWER YELLOWSTONE RIVER OPERATIONS BE ADOPTED.

Discussion:

Ms. Smith clarified that funding was operation dollars for an FTE not actually a new FTE. In the base year of 2004, they used \$1,700 because the biologist was not hired until May. They were asking for two things from the DP: 1) they want to move the funding to federal dollars, and 2) they want to restore funding back to the base so the biologist would have available approximately \$13,000 in operating expenditures.

Vote: Motion carried unanimously by voice vote.

{Tape: 2; Side: B; Approx. Time Counter: 0 - 5.4}

Motion: REP. MCNUTT moved that DP 304 -- FISHERIES FIELD TECHNICIAN BE ADOPTED.

Discussion:

SEN. BARKUS was concerned with the fact that a technician FTE was going to receive \$62,000.

Ms. Smith informed the Committee that \$23,000 would be for salary plus health insurance and employee benefits. The rest was for operating costs.

CHAIRMAN RIPLEY inferred that \$15,500 would come out of the General License Account.

Ms. Smith affirmed that \$15,000 in 2006 and \$11,800 from 2007 would come from the General License Account.

CHAIRMAN RIPLEY noted that last session, \$102,000 was approved for an FTE.

Mr. Smith thought that the dollar amount was off but agreed that they had approved one fisheries technician last session.

Ms. Rose indicated that they had approved one FTE at \$64,000 in the first year and \$69,000 in the second year of the biennium.

{Tape: 2; Side: B; Approx. Time Counter: 5.4 - 8.3}

SEN. BARKUS asked how many fisheries technicians and biologists were employed by the Division.

Mr. Smith responded that there were approximately 30 biologists statewide and an equal number of technicians.

SEN. BARKUS wanted to know what the employment trend was.

Mr. Smith explained that the trend line had remained quite flat for the last ten years.

Ms. Smith clarified that in the first year of the biennium, there would be \$25,000 of operating costs for the two FTE which

would drop off to around \$10,000 in the second year for one-time equipment purchases.

Vote: Motion carried 5-2 by voice vote with SEN. BARKUS and REP. RIPLEY voting no.

{Tape: 2; Side: B; Approx. Time Counter: 8.3 - 10.7}

Motion/Vote: SEN. HANSEN MOVED THAT DP 305 -- USFWS VIROLOGY CONTRACT BE ADOPTED. Motion carried 5-2 by voice vote with SEN. BARKUS and REP. RIPLEY voting no.

{Tape: 2; Side: B; Approx. Time Counter: 10.7 - 11.8}

Motion: REP. MUSGROVE moved that DP 320 -- PAINTED ROCKS ANNUAL PAYMENT BE ADOPTED.

Discussion:

Ms. Smith reminded the Committee that the Painted Rocks annual payment had originally come through as a budget amendment but was expected to last more than five years so was requested to move into the base.

SEN. BARKUS clarified that it was the agreement between the Department of Natural Resources and Conservation (DNRC) and FWP. He was curious if the DP was to protect the reservoir from irrigation. He was confused as to why the Department was paying for a release of water.

Mr. Smith replied that it was to provide stream flow in the Bitterroot River.

SEN. HANSEN asked for an explanation as to why it was predicted to last up to five years.

Mr. Smith attested that the contract was in perpetuity.

Ms. Smith added that five years was a benchmark for moving appropriations out of budget amendments and into base budgets.

{Tape: 2; Side: B; Approx. Time Counter: 11.8 - 15.6}

SEN. BARKUS wanted to know what DNRC's responsibility was in the situation.

Mr. Smith informed the Committee that there were 30,000 acre feet in Painted Rocks. The Bitterroot Irrigation District uses approximately half of those acres and pays the same amount as FWP does for using them to DNRC.

Vote: Motion carried unanimously by voice vote.

REP. BUZZAS left at 9:50 A.M., leaving her proxy form with REP. MUSGROVE for the remainder of the meeting. SEN. BARKUS left at the same time, leaving his proxy with CHAIRMAN RIPLEY.

{Tape: 2; Side: B; Approx. Time Counter: 15.6 - 17.7}

Motion: REP. MCNUTT moved that DP 301 -- FORT PECK HATCHERIES OPERATIONS BE ADOPTED AS AMENDED TO INCLUDE LANGUAGE ALLOWING FOR THE REPLACEMENT OF STATE SPECIAL REVENUE WITH FEDERAL FUNDS IF POSSIBLE.

Discussion:

SEN. HAWKS questioned if the long-term costs to make the Hatchery operational were fixed and part of the package.

Mr. Smith responded that since they were not operational yet they do not know exactly what the costs will be but the DP contained their best guess.

Ms. Smith clarified that the Department could not ask for federal assistance until the Hatchery was operational. She suggested that the Committee add language which would allow for replacement of State Special Revenue with federal dollars if they ended up coming in.

{Tape: 2; Side: B; Approx. Time Counter: 17.7 - 21.2}

CHAIRMAN RIPLEY noted that the DP asked for three or four FTE.

Mr. Smith replied that they were planning on operating the Hatchery with the current manager and three FTE from the package.

CHAIRMAN RIPLEY mentioned that he had a note indicating that there might need to be language to help keep the fees down. He was curious if it would be possible.

Ms. Smith elaborated that it was the issue with federal dollars. She noted that the DP was paid for with the Warm Water Fish Stamp.

Vote: Motion carried unanimously by voice vote with REP. BUZZAS and SEN. BARKUS voting by proxy.

{Tape: 2; Side: B; Approx. Time Counter: 21.2 - 24.6}

EXECUTIVE ACTION ON THE DEPARTMENT OF FISH, WILDLIFE AND PARKS:
ENFORCEMENT DIVISION

Motion: REP. MCNUTT moved that DP 401 -- WARDEN OVERTIME BE ADOPTED.

Discussion:

Ms. Smith commented that the Division was only asking for warden overtime adjustments. She had requested the Division rewrite the DP so that they were actually asking for overtime and the related financial requirements.

REP. MUSGROVE inquired if the DP included benefits.

Ms. Smith affirmed that the DP did contain the benefits.

CHAIRMAN RIPLEY requested that Ms. Smith clarify the LFD comments.

Ms. Smith related that the comment had to do with one account, Overtime 61102. The original package asked only for overtime dollars and not for any of the taxes or benefits so the DP needed to be adjusted to reflect those things.

Vote: Motion carried unanimously by voice vote with REP. BUZZAS and SEN. BARKUS voting by proxy.

{Tape: 2; Side: B; Approx. Time Counter: 24.6 - 29.4}

Motion/Vote: REP. MUSGROVE moved that DP 403 -- BISON HUNT BIENNIAL BE ADOPTED. Motion carried unanimously by voice vote with REP. BUZZAS and SEN. BARKUS voting by proxy.

{Tape: 2; Side: B; Approx. Time Counter: 29.4 - 30.8}

Motion: SEN. HAWKS moved that DP 406 -- ADJUST COUNTY WATER SAFETY BE ADOPTED AS AMENDED TO INCLUDE CONTINGENCY LANGUAGE WITH HB 119.

Discussion:

REP. MCNUTT asked if the Department would have two decals required in the bill.

Jim Kropp, Administrator of the Enforcement Division, replied that the decal requirements would be in SB 126.

CHAIRMAN RIPLEY questioned if the DP would be moving the funding into the General Fund.

Ms. Smith explained that when all of the decal fees and licensing fees were changed, they now go into the General Fund and are transferred back based upon the a count of registered boats.

{Tape: 2; Side: B; Approx. Time Counter: 30.8 - 33.2}

SEN. HAWKS noted that there had been legislation providing decals at no charge. He wanted to know where the funding was coming from.

Mr. Kropp reported that the funding for the decals for SB 126 come from within the Coast Guard Funds and the matching fund within the Enforcement Division, within the current budget.

CHAIRMAN RIPLEY guessed the \$40,000 was from the Coast Guard Grant.

Mr. Kropp answered that the authority was to match funds which came from the County Water Safety Program and sheriff's offices. The Division manages the grant and passes it along to the sheriffs.

Ms. Smith clarified that the grant was split between federal and State Special Revenue, Motor Boat Fees.

Vote: Motion carried unanimously by voice vote with **REP. BUZZAS** and **SEN. BARKUS** voting by proxy.

{Tape: 2; Side: B; Approx. Time Counter: 33.2 - 38.1}

Motion/Vote: **SEN. HANSEN** moved that DP 411 BE ADOPTED AS AMENDED TO INCLUDE CONTINGENCY LANGUAGE WITH SB 77. Motion carried unanimously by voice vote with **REP. BUZZAS** and **SEN. BARKUS** voting by proxy.

{Tape: 2; Side: B; Approx. Time Counter: 38.1 - 39.9}

Ms. Smith commented that according to records from 2003, the idea behind the appropriation was to establish a base budget. She explained that if the Committee wished to comply with those wishes they would remove the restrictions.

None of the Committee members moved DP 402 at this time.

Motion: REP. MUSGROVE moved that DP 408 -- REGIONAL INVESTIGATORS BE ADOPTED AS AMENDED TO INCLUDE LANGUAGE REQUESTING THE DIVISION REPORT BACK TO LFC.

Discussion:

SEN. HAWKS wondered if there was going to be a negative affect on recruitment if the Committee added restrictive language.

Mr. Kropp expressed that there would be a negative affect on the recruitment. He noted that they were hoping to hire individuals who were experienced and it would be unlikely that existing wardens would be interested if the Program was short-term.

CHAIRMAN RIPLEY insisted however, that it was a pilot program.

Mr. Kropp reported that they had discussed reporting back as far as activities were concerned but he was unsure if it would be considered a pilot program.

REP. MUSGROVE deleted the OTO restriction with the thought of including language requiring reports.

CHAIRMAN RIPLEY clarified that if the OTO designation was removed than the money would go into the base budget.

REP. MUSGROVE commented that they would always be able to remove the FTE if there was a negative report.

Vote: Motion carried 5-2 by voice vote with **SEN. BARKUS** and **REP. RIPLEY** voting no and **REP. BUZZAS** and **SEN. BARKUS** voting by proxy.

{Tape: 2; Side: B; Approx. Time Counter: 39.9 - 51.3}

Motion: SEN. HANSEN moved that DP 409 -- SEASONAL WATER SAFETY - RESTRICTED BE ADOPTED AS AMENDED TO INCLUDE CONTINGENCY LANGUAGE WITH SB 126.

Discussion:

CHAIRMAN RIPLEY stated that there had been a request for one FTE that failed last session, he wanted to know why they were requesting one and a half FTE after the failure of one.

Mr. Kropp replied that the reason for the increase in FTE is that there has been an increase in boat registration and use of waterways. The drought years have impacted the workload for the water wardens. He felt that there was a need to get uniformed officers on the water for the safety of the boaters and recreationalists. He also mentioned that all of the funding was federal authority.

Vote: Motion carried 4-3 by voice vote with **SEN. BARKUS, REP. MCNUTT,** and **REP. RIPLEY** voting no with **REP. BUZZAS** and **SEN. BARKUS** voting by proxy.

{Tape: 3; Side: A; Approx. Time Counter: 0 - 3.6}

Motion: **REP. MUSGROVE** moved that DP 420 -- **WARDEN TRAINEE PROGRAM BE ADOPTED AS AMENDED TO INCLUDE LANGUAGE RESTRICTING THE PROGRAM TO MONTANA GRADUATES.**

Discussion:

Ms. Smith noted that if the Committee chose to place the DP in the base budget in lieu of the bill, they might want to consider adding the same restrictions concerning graduates from Montana, as the bill had.

REP. MCNUTT inquired if the DP would be contingent on **REP. JENT'S** bill.

CHAIRMAN RIPLEY explained that passage of the DP would do away with **REP. JENT'S** bill.

Ms. Smith added that the DP would also add the Program into the base in lieu of having a bill each session.

REP. MCNUTT asked if the bill had been successful during the past sessions.

Mr. Kropp interjected that last session the Program was in front of the Joint Appropriations Natural Resources and Commerce Subcommittee and it did not pass. In the sessions prior however, the bill had passed.

Ms. Smith commented that if the long-term policy was to provide this training for two university students, it would belong in the base.

Vote: Motion carried unanimously by voice vote with REP. BUZZAS and SEN. BARKUS voting by proxy.

{Tape: 3; Side: A; Approx. Time Counter: 3.6 - 8.6}

Motion: REP. MUSGROVE moved that DP 402 -- COMMERCIAL LICENSING PROGRAM - BIENNIAL/RESTRICTED/OTO BE ADOPTED.

Discussion:

REP. MCNUTT requested that the Division explain what the money would be used for.

Mr. Kropp responded that it was primarily for the cost of doing environmental assessments (EA) for permit programs in Montana as relevant to zoos and menageries as well as shooting preserves. In addition, it provides for long-term inspection of these programs. There has also been recent legislation restricting the importation of exotic animals which requires a review committee.

SEN. BARKUS returned at 10:20 A.M.

CHAIRMAN RIPLEY asked how much expenditures were for 2004.

Mr. Kropp replied that they were \$10,953. He noted that the amount had to do with the volume of requests for EAs. He did not remember any requests coming in for the base year.

Ms. Smith clarified that the request was approximately \$30,000 in contracted services and the balance would be \$5,000 for minor tools and \$10,000 for travel.

Vote: Motion carried 4-3 by voice vote with SEN. BARKUS, REP. MCNUTT, and REP. RIPLEY voting no with REP. BUZZAS voting by proxy.

{Tape: 3; Side: A; Approx. Time Counter: 8.6 - 14.2}

EXECUTIVE ACTION ON THE DEPARTMENT OF FISH, WILDLIFE AND PARKS:
WILDLIFE DIVISION

Motion/Vote: SEN. BARKUS moved that DP 501 -- ELK, MOOSE, AND MULE DEER AUCTION BE ADOPTED. Motion carried unanimously by voice vote with REP. BUZZAS voting by proxy.

{Tape: 3; Side: A; Approx. Time Counter: 14.2 - 15.6}

Motion: REP. MUSGROVE moved that DP 502 -- ENHANCED WILDLIFE SURVEYS BE ADOPTED AS AMENDED TO INCLUDE A OTO DESIGNATION AND LANGUAGE REQUIRING REPORTING TO EQC.

Discussion:

Ms. Smith commented that there were approximately \$54,000 in personnel costs for a pilot with the balance being aircraft rental for in-state and private use. She indicated that the DP was in response to a bill from the last session. She brought up a concern with the issue of recruitment because of the number of pilots they have been asked to approve.

Don Childress, Administrator of the Wildlife Division, reported that they had just replaced a pilot for the rate being asked and in fact had four interviews for the position.

CHAIRMAN RIPLEY clarified that it would be one FTE for surveys.

Mr. Childress affirmed CHAIRMAN RIPLEY'S statement. He noted that the surveys were ongoing throughout the year.

CHAIRMAN RIPLEY followed up by asking what the pilots would do when they were not flying.

Mr. Childress informed the Committee that when the pilot was not flying, he would be performing the required maintenance on the aircraft. He noted, however, that there were very few times, if any, when they were not using pilots.

{Tape: 3; Side: A; Approx. Time Counter: 15.6 - 19.6}

REP. BARRETT spoke in support of the DP. She expressed the need to have the surveys.

SEN. BARKUS suggested the need to have language requiring reporting or accountability concerning the addition of FTE.

CHAIRMAN RIPLEY mentioned that SEN. TESTER'S bill required the Department to publish the game counts per district which would provide some accountability.

Mr. Childress added that they provided annual updates on the ariel surveys as well as the other methods of surveying. He proposed that the Department would be able to provide a report on the overall activity of the pilot since he would be part of the Field Services Division.

Ms. Smith clarified that SEN. BARKUS was addressing the LFD issue. She explained that looking at the two bills which were behind the DP last session, her understanding of the DP was that it would enhance the Wildlife surveys present so they could get a better count. Her comment was concerning the need to know that the Division was obtaining results when they spent the money.

{Tape: 3; Side: A; Approx. Time Counter: 19.6 - 23.8}

SEN. HAWKS inferred that Ms. Smith was suggesting a OTO with reports to EQC.

Ms. Smith responded that SEN. HAWKS' suggestion was a potential response.

REP. MCNUTT suggested the restrictions placed on the DP, accepted by REP. MUSGROVE.

Vote: Motion carried unanimously by voice vote with REP. BUZZAS voting by proxy.

{Tape: 3; Side: A; Approx. Time Counter: 23.8 - 26.6}

Motion: REP. MUSGROVE moved that DP 507 -- INCREASE FOR MIGRATORY BIRD PROGRAM FUNDS BE ADOPTED.

Discussion:

CHAIRMAN RIPLEY questioned the dollar amount of the DP. He cited that last session, it was \$10,000 per year of the biennium and he wanted to address the proposed increase.

Mr. Childress replied that the request in front of the Committee was increased base authority, which included unexpended funds from the last year as well as an increase in the activities. The increase was to address the fact that the Division is partnered in a cost share.

Vote: Motion carried 5-2 by voice vote with SEN. BARKUS and REP. RIPLEY voting no with REP. BUZZAS voting by proxy.

{Tape: 3; Side: A; Approx. Time Counter: 26.6 - 30}

Motion: REP. MUSGROVE moved that NP 520 -- BLACK BEAR POPULATION AND HARVEST ASSESSMENT BE ADOPTED AS AMENDED TO INCLUDE A OTO DESIGNATION.

Discussion:

SEN. BARKUS insisted that the Division received data from hunters during the black bear harvest and did not understand why they needed to spend \$140,000 to assess the harvest.

Mr. Childress agreed that they did receive hunter harvest information which is collected at mandatory checkpoints. He informed the Committee that they were operating a management plan based on the age structure to decide if the harvest was too liberal or conservative. He reiterated that the data, at the time of the environmental impact statement, was taken from the State of Idaho. He feels that the seasons might be too conservative for Montana at this point in time. He asserted that the assessment was a matter of adding up the hunter's information and the population data to find out where Montana is as far the overall population.

CHAIRMAN RIPLEY wondered if, even after approving the DP, they would be any further along.

Mr. Childress explained that what they were doing was sampling satellite areas, which are areas hunters do not reach. With the addition of that information they would be able to redefine management criteria. He expressed that the overall cost was the most cost effective plan they could find for the program.

{Tape: 3; Side: A; Approx. Time Counter: 30 - 39.4}

CHAIRMAN RIPLEY asked if the \$17,000 from the General Licensing Account would be used as leverage in the \$146,000.

Mr. Childress agreed that it was a federal match.

REP. MCNUTT suggested the DP be OTO.

Ms. Smith replied that it could be OTO or they could also remove the FTE and allow contract dollars.

Mr. Hagener indicated that when they contract for jobs which should be done by employees they have problems with labor laws. He noted that if it was OTO then the half an FTE would not be in the base.

Vote: Motion carried 6-1 by voice vote with SEN. BARKUS voting no with REP. BUZZAS voting by proxy.

{Tape: 3; Side: A; Approx. Time Counter: 39.4 - 46.4}

Motion: REP. MUSGROVE moved that DP 503 -- WILDLIFE CONFLICT SPECIALIST R1 - OTO BE ADOPTED.

Discussion:

SEN. BARKUS asked why Region 1 was the only region that had a Conflict specialist.

Mr. Childress explained that they did have other conflict specialists. He stated that this specialist had started out as a contractor and, as such, it was restricted as a OTO when it was introduced as a FTE.

{Tape: 3; Side: B; Approx. Time Counter: 0 - 3.9}

SEN. HAWKS wondered if they had funds for setting up a management program in the region.

Mr. Childress affirmed that they did but with respect to a grizzly bear specialist.

CHAIRMAN RIPLEY inquired if it was funded entirely out of the General License Account.

Ms. Smith replied that it was.

SEN. BARKUS thought that a conflict specialist should come from another Division, such as Field Services.

Mr. Childress responded that it was a combination of activities and the workload in Region 1 specifically had urban Wildlife interface problems so that it was more cost effective to have an individual specific to the issue.

{Tape: 3; Side: B; Approx. Time Counter: 3.8 - 7.8}

CHAIRMAN RIPLEY asked how the grizzly bear position was funded.

Mr. Childress indicated that it was 90% General License. He informed the Committee that game damage situations do not qualify for federal aid so the 10% federal funds is used for educational aspects.

SEN. HAWKS questioned if these fees were also contingent on the increased license fees.

Ms. Smith noted that the budget was based on current fees, the only exceptions were the two add-ons.

CHAIRMAN RIPLEY stated that the more money kept in the General License Account the more solvent the account would be in the future.

Vote: Motion carried 5-2 by voice vote with **REP. MCNUTT** and **REP. RIPLEY** voting no with **REP. BUZZAS** voting by proxy.

{Tape: 3; Side: B; Approx. Time Counter: 7.8 - 10.9}

Motion: **SEN. HANSEN** moved that DP 504 -- MOUNTAIN LION RESEARCH OTO BE ADOPTED AS AMENDED TO REMOVE THE OTO DESIGNATION.

Discussion:

Ms. Smith clarified the LFD issue for the DP. She believed that for the last three to four sessions, this DP has come before the Committee and has been OTO each time. She suggested that it would be more appropriate in the base and if they wanted to know what was happening with it the Committee could add language.

SEN. HANSEN inquired if there was four years left to the DP.

Ms. Smith responded that there were four years left to complete the study and then there would be implementation of the study's results.

SEN. BARKUS wondered if it mattered how the study was funded, when it came to the Division accepting and acting on the data gathered. In other words, whether the lack of base funding could deter the implementation of the study once it was completed.

Mr. Childress expressed that it was not the case. He thought that with respect to the outcome of the study and how it was implemented, they would have to return to the Committee unless it was in the base.

SEN. HAWKS asked how long the study had been conducted.

Mr. Childress answered that the project had started in 1998.

Vote: Motion carried 5-2 by voice vote with SEN. BARKUS and REP. RIPLEY voting no with REP. BUZZAS voting by proxy.

Motion: REP. MUSGROVE moved that DP 505 -- RESTORE NONGAME WILDLIFE FUNDS - RESTRICTED BE ADOPTED.

Discussion:

SEN. HAWKS requested that Ms. Smith summarize the LFD issue.

Ms. Smith recounted that in the 2003 legislature, the restrictions were added to the money in the DP. The actual language in HB 2 said the report should have gone to the EQC but it did not. Her comment in regard to the fund balance was that the fund was growing in nature and there might need to be a long-term plan in place to use these dollars. It was her understanding that the individual who was handling the program retired so there was a period of time when expenditures were not made from the fund. This caused the fund to have an excess balance that will exist until the Division spends it down.

{Tape: 3; Side: B; Approx. Time Counter: 10.9 - 18.9}

SEN. BARKUS asked if one person was going to be able to do anything with \$5,000.

Mr. Childress commented that the loon program was a joint project and they were not funding an FTE, so the costs were more operation costs. He mentioned that it was not specifically addressing the FTE. He mentioned that most of the projects were cooperative.

CHAIRMAN RIPLEY requested Mr. Childress address the LFD issue concerning the plan to spend down the funds.

Mr. Childress explained that the opportunity to discuss the plan would arise with the Comprehensive Wildlife Plan. The plan deals with high-maintenance species. He indicated that the long-term plan would be to use the funds with that program.

{Tape: 3; Side: B; Approx. Time Counter: 18.9 - 22.1}

Vote: Motion carried unanimously by voice vote with REP. BUZZAS voting by proxy.

{Tape: 3; Side: B; Approx. Time Counter: 22.1 - 22.9}

Motion/Vote: REP. MCNUTT moved that DP 506 -- EQUIPMENT OTO BE ADOPTED. Motion carried unanimously by voice vote with REP. BUZZAS voting by proxy.

{Tape: 3; Side: B; Approx. Time Counter: 22.9 - 24.8}

EXECUTIVE ACTION ON THE DEPARTMENT OF FISH, WILDLIFE AND PARKS:
PARKS DIVISION

Motion/Vote: SEN. HANSEN moved that DP 601 -- EQUIPMENT REDUCTION BE ADOPTED. Motion carried unanimously by voice vote with REP. BUZZAS voting by proxy.

{Tape: 3; Side: B; Approx. Time Counter: 24.8 - 26.5}

Motion: REP. MUSGROVE moved that DP 602 -- RESTORE LAND AND WATER CONSERVATION PROGRAM FUNDS BE ADOPTED.

Discussion:

REP. MUSGROVE asked if it was federal money.

Ms. Smith replied that it was.

Vote: Motion carried unanimously by voice vote with REP. BUZZAS voting by proxy.

{Tape: 3; Side: B; Approx. Time Counter: 26.5 - 27.7}

Motion: SEN. HAWKS moved that DP 604 -- RESTORE PARK FIELD MAINTENANCE AND OPERATIONS BE ADOPTED.

Discussion:

Ms. Smith commented that the base adjustment was to adjust for the difference in what was expected from the Vehicle Registration fee versus what they received. She noted that bill 605 would reallocate the \$4; \$0.50 would go to the reduction of camping fees and \$1 would go to a trust fund for parks. She suggested that the Department act on the DP and since it would be considered a revenue bill they would be able to deal with it at another point in time.

SEN. HAWKS assumed that Ms. Smith meant that it would disappear.

Ms. Smith clarified that it would not disappear, it would be reallocated. So instead of \$3.50 going to the support of parks,

\$2 would go to parks immediately, \$1 would go to a trust fund and \$0.50 would reduce the cost of camping.

Vote: Motion carried 6-1 by voice vote with REP. RIPLEY voting no with REP. BUZZAS voting by proxy.

{Tape: 3; Side: B; Approx. Time Counter: 27.7 - 31.5}

Motion/Vote: REP. MUSGROVE moved that DP 605 -- FAS BASE MAINTENANCE AND OPERATIONS BE ADOPTED. Motion carried 6-1 by voice vote with REP. RIPLEY voting no and REP. BUZZAS voting by proxy.

{Tape: 3; Side: B; Approx. Time Counter: 31.5 - 33.3}

Motion/Vote: SEN. HANSEN moved that DP 606 -- COMMUNITY SERVICE BE ADOPTED. Motion carried unanimously by voice vote with REP. BUZZAS voting by proxy.

{Tape: 3; Side: B; Approx. Time Counter: 33.3 - 34.2}

Motion: REP. MCNUTT moved that DP 607 -- SNOWMOBILE GROOMER REPLACEMENT - BIENNIAL BE ADOPTED.

Discussion:

SEN. BARKUS inquired if the groomer had already been purchased.

Doug Monger, Administrator of the Parks Division, responded that it had not. He indicated that it would be a biennial appropriation.

Vote: Motion carried unanimously by voice vote with REP. BUZZAS voting by proxy.

{Tape: 3; Side: B; Approx. Time Counter: 34.2 - 36.3}

Motion: REP. MUSGROVE moved that DP 608 -- SNOWMOBILE GRANTS AND OPERATIONS BE ADOPTED.

Discussion:

SEN. HAWKS asked if they needed a full budget with the snow conditions.

Mr. Monger answered that they could not anticipate what snow conditions would be like, so this DP would restore the budget to its previous base.

Vote: Motion carried unanimously by voice vote with REP. BUZZAS voting by proxy.

{Tape: 3; Side: B; Approx. Time Counter: 36.3 - 39.2}

Motion: SEN. BARKUS moved that DP 620 -- DNRC LAND ACQUISITION BE ADOPTED.

Discussion:

Ms. Smith interjected that the DP was contingent on the license fee increase. She also added that \$75,000 in 2006 and \$76,000 in 2007 would be General License Account.

SEN. BARKUS commented that it was an important acquisition because it had so many access opportunities.

CHAIRMAN RIPLEY asked why the funding could not come out of the Parks Division.

Mr. Monger explained that the funding split on the Fee-to-Fee License Plate Program dedicated \$3.50 to the State Parks Program; \$0.25 to Virginia City, \$0.25 to the Fishing Access Program which could be used to operate this acquisition. He commented that within the DP, it was made clear to Department of Natural Resources and Commerce that the FWP would not take on obligation of the 14 sites without approval of the DP, which is tied to the passage of the license fee increase.

{Tape: 3; Side: B; Approx. Time Counter: 39.2 - 45.9}

Ms. Smith clarified that when she had completed the research on using State Parks Fund she was looking at the Miscellaneous Account. She had found reference in statute that the \$4 was earmarked for State Parks but she did not find any reference to overnight camping fees, tour fees, boat fees, or other surcharges. Therefore, if what was coming in from the light vehicle registration was taken out, there was still \$1.6 million in the account of other types of revenue. She noted that a portion of the account was earmarked but expressed that it would not make the entire account earmarked.

SEN. BARKUS followed up, asking if Mr. Monger could address the amount of funds remaining in the Excess Funds Account.

Mr. Monger answered that part of DP 604 was to cover some of the cash build up in the Account. Additionally, within the cash balances of the program there were many obligations for the remainder of the year as well as other obligations for the next year.

{Tape: 3; Side: B; Approx. Time Counter: 45.9 - 51.4}

{Tape: 4; Side: A; Approx. Time Counter: 0 - 0.4}

CHAIRMAN RIPLEY asked, aside from the fund obligations, where Mr. Monger would estimate the fund balance to be.

Mr. Monger estimated that it would be around \$500,000 with part of the money included in the Coal Trust aside.

Vote: Motion carried 6-1 by voice vote with REP. RIPLEY voting no with REP. BUZZAS voting by proxy.

{Tape: 4; Side: A; Approx. Time Counter: 0.4 - 1.9}

EXECUTIVE ACTION ON THE DEPARTMENT OF FISH, WILDLIFE AND PARKS:
CONSERVATION EDUCATION DIVISION

Motion: REP. MUSGROVE moved that DP 802 -- SHOOTING RANGE GRANTS BIENNIAL BE ADOPTED.

Discussion:

SEN. HAWKS wondered why it was necessary to have the funding be ongoing when it seemed to him that it was Private Recreation Funding.

Ron Aasheim, Administrator of the Conservation Education Division, explained that it was a Public Shooting Range Grants Program. He noted that there were shortages of public shooting ranges although the interest is large with 32 requests and only six have funding sources identified. He did not know what the rationale for license dollars was.

SEN. HAWKS followed up by asking if they had a set sharing arrangement with shooting clubs.

Mr. Aasheim responded that they had a one-to-one matching program, so for every dollar spent by the FWP, the community would spend an equal amount.

REP. MUSGROVE commented that he has seen the use and appreciation of the program.

Vote: Motion carried unanimously by voice vote with **REP. BUZZAS** voting by proxy.

{Tape: 4; Side: A; Approx. Time Counter: 1.9 - 5.8}

Motion/Vote: **REP. MCNUTT** moved that DP 804 -- OHV INFORMATION AND EDUCATION BE ADOPTED. Motion carried unanimously by voice vote with **REP. BUZZAS** voting by proxy.

{Tape: 4; Side: A; Approx. Time Counter: 5.8 - 6.8}

Motion/Vote: **SEN. HANSEN** moved that DP 805 -- SNOWMOBILE INFORMATION AND EDUCATION BE ADOPTED. Motion carried unanimously by voice vote with **REP. BUZZAS** voting by proxy.

{Tape: 4; Side: A; Approx. Time Counter: 6.8 - 7.4}

Motion: **REP. MUSGROVE** moved that DP 801 -- WILDLIFE CENTER BE ADOPTED.

Discussion:

CHAIRMAN RIPLEY asked why they would not be able to use Park funds.

Mr. Aasheim replied that it was primarily fish and wildlife related with a focus on wildlife education.

SEN. BARKUS asserted that they need to level the old building since it would cost more money than building a new one and would be dangerous to repair. He felt that trying to make the old building into a useful structure was an exercise in futility.

Mr. Aasheim reported that the primary funding source to reconstruct the building would be private. He indicated that while it would be cheaper, there were individuals in the private sector who feel strongly enough about the old building that they would be willing to commit the money to stabilize and renovate.

CHAIRMAN RIPLEY expressed the same concerns as **SEN. BARKUS**. He was also concerned with the amount of money coming out of General Licenses.

SEN. HAWKS understood that the Center would be reverting to State ownership even though it was primarily funded through private sources.

Mr. Aasheim affirmed that it would.

SEN. BARKUS inquired how much of this DP coordinated with DP 920.

Ms. Smith notified the Committee that DP 920 was the add on which would eliminate the FTE for the foundation director and did not coincide.

SEN. BARKUS assumed that the money was then for support and Department staff at the Center.

Ms. Smith affirmed his assumption.

{Tape: 4; Side: A; Approx. Time Counter: 7.4 - 14.4}

SEN. HAWKS asked if it was OTO.

Ms. Smith surmised that it would be establishing a base-level expenditure for supporting the education component of the Wildlife Center.

REP. MCNUTT wondered if there would be another source of funding later on if they designated the DP OTO.

Mr. Smith conveyed that the State was authorized to use 10% of specific federal monies for educational purposes. They are trying for more federal money and will use that if it comes through.

Vote: Motion carried unanimously by voice vote with **REP. BUZZAS** voting by proxy.

{Tape: 4; Side: A; Approx. Time Counter: 14.4 - 18}

EXECUTIVE ACTION ON THE DEPARTMENT OF FISH, WILDLIFE AND PARKS:
DEPARTMENT MANAGEMENT

None of the Committee members moved **DP 901 -- Commission Expense** at this time.

Motion/Vote: **REP. MUSGROVE** moved that **DP 904 -- STATUTE BOOK PRINTING BE ADOPTED**. Motion carried unanimously by voice vote with **REP. BUZZAS** voting by proxy.

{Tape: 4; Side: A; Approx. Time Counter: 18 - 20.2}

Motion: REP. MCNUTT moved that DP 910 -- LITIGATION EXPENSES BE ADOPTED.

Discussion:

CHAIRMAN RIPLEY requested a response by the Department concerning the reduction of contracted legal services by \$10,000.

Mr. Smith presented that all of the contracted services have been funded with carry forward authority. They did not expect to see a reduction in operating expenses as a result of bringing more of the attorney time in-house.

Vote: Motion carried 5-2 by voice vote with SEN. BARKUS and REP. RIPLEY voting no with REP. BUZZAS voting by proxy.

{Tape: 4; Side: A; Approx. Time Counter: 20.2 - 22.5}

Motion/Vote: REP. MUSGROVE moved that DP 902 -- REGIONAL OFFICE EQUIPMENT - OTO BE ADOPTED. Motion carried unanimously by voice vote with REP. BUZZAS voting by proxy.

{Tape: 4; Side: A; Approx. Time Counter: 22.5 - 23.5}

Motion: REP. MUSGROVE moved that DP 905 -- State Wildlife Grants - Biennial/OTO BE ADOPTED.

Discussion:

SEN. HAWKS asked what impact this approach would have versus cutting budget amendments.

Ms. Smith answered that the appropriation for \$3 million would count against the cap. The second issue she mentioned on the budget amendment was that because the Department knows that this funding was coming to them, they have to ask for the appropriations in this venue. If the budget amendment came through, Ms. Rose could say that it doesn't conform to budget amendment statute. The policy of the LFD is to match appropriations with what is expected.

SEN. HAWKS followed up by asking if in fact the funding came over the cap, where would they find the cuts.

Ms. Smith replied that legislative contract authority would be removed.

Vote: Motion carried 5-2 by voice vote with **SEN. BARKUS** and **REP. RIPLEY** voting no with **REP. BUZZAS** voting by proxy.

{Tape: 4; Side: A; Approx. Time Counter: 23.5 - 29}

Motion/Vote: **SEN. HANSEN** moved that DP 901 -- LITIGATION EXPENSES BE ADOPTED. Motion carried unanimously by voice vote with **REP. BUZZAS** voting by proxy.

{Tape: 4; Side: A; Approx. Time Counter: 29 - 30.4}

Motion: **SEN. HAWKS** moved that DP 908 -- RIVER RECREATION MANAGEMENT BE ADOPTED.

Discussion:

SEN. HAWKS requested that the Division respond to whether or not the impact added to management problems or if there were conflicts with no water.

Mr. Smith affirmed that the drought aggravated issues due to the closing of some waters and the concentration on others. He noted that short term, the drought has increased conflicts but if it continues, then there will be no water to worry about.

CHAIRMAN RIPLEY noted that last session the legislature added an FTE for the most congested waters. He wanted to know where it was located.

Mr. Smith indicated that the DP was not approved. At the request of **Ms. Smith**, he clarified where Regions 1 and 2 were located.

Vote: Motion carried 4-3 by voice vote with **SEN. BARKUS**, **REP. MCNUTT**, and **REP. RIPLEY** voting no with **REP. BUZZAS** voting by proxy.

{Tape: 4; Side: A; Approx. Time Counter: 30.4 - 37.7}

Motion: **SEN. HANSEN** moved that DP 909 -- WEBSITE MANAGEMENT BE ADOPTED.

Discussion:

CHAIRMAN RIPLEY wondered if the DP was contingent on fee increases for a total amount or a portion. He asked if the special subcommittee had made a determination of what kind of increase would be requested.

Mr. Smith explained that the special subcommittee addressing HB 172 and 176 had decided to report back to the full committee two options related to HB 172 and the suggestion to table HB 176. The two options with HB 172 were: 1) adjust fees in license year 2006 which would generate an additional \$3.6 million per year and then leave it to the agency to request additional funding, and 2) look at a two step increase that would have the same level of increase in 2006 and then two years later there would be another incremental increase resulting in another \$600,000 of revenue.

{Tape: 4; Side: A; Approx. Time Counter: 37.7 - 48.2}

SEN. HAWKS commented on the amount of support for an increase in the fees in his community. He wanted to know from where the resistance to the fee increase was coming.

Mr. Smith agreed that there was generally support for an increase of some kind.

SEN. BARKUS thought that it was reflective of management that the Department had waited too long to ask for a fee increase and the amount was too large. He suggested that they need to look at fee increases on an inflationary basis.

Vote: Motion carried unanimously by voice vote with REP. BUZZAS voting by proxy.

{Tape: 4; Side: B; Approx. Time Counter: 0 - 4.5}

Motion: SEN. BARKUS moved that DP 920 -- ELIMINATE SUPPORT OF FWP FOUNDATION DIRECTOR BE ADOPTED.

Discussion:

CHAIRMAN RIPLEY gave a brief overview of what the DP was requesting.

SEN. HANSEN requested the Department provide input on the DP.

Mr. Smith noted that there were two policy issues addressed by the Package: 1) At what time the Department should form the arms-

length relationship between the Agency and the Foundation, and 2) The mechanism to do that by eliminating the FTE and its funding. He then gave some background information on the position and their reasons for wanting to keep the FTE which supports Mr. Hegstead.

REP. MUSGROVE suggested the Committee add language to allow the process to continue without punishing the Department excessively.

CHAIRMAN RIPLEY expressed concern that the audit was not being upheld. He wants the issue addressed but felt that it should have been taken care of a long time ago. He felt that the Department was remiss in allowing Mr. Hegstead to choose when he wanted to leave rather than following the directions of the audit.

Ms. Smith interjected that the language added to HB 2 would only be good for the next biennium because HB 2 expires. She explained that if they wished to prohibit this type of activity in the future, as a whole, they would have to initiate a committee bill.

SEN. BARKUS felt that if an FTE was needed in the Director's Office, they should have made a request in a DP and not expect the Committee to allow Mr. Hegstead to transfer back into the Director's Office when he was finished with the Foundation.

Director Hagener added that the Department had an intent to maintain a portion of an FTE with liaison abilities within the Foundation at the time it is phased out. He felt no trouble speeding up the separation process, to last only through this biennium. He said that what Mr. Smith was explaining was that the Director's position would have had a role to play in the FWP Director's Office.

The motion remained on the floor to be discussed on February 16.

{Tape: 4; Side: B; Approx. Time Counter: 4.5 - 21.8}

ADJOURNMENT

Adjournment: 12:00 A.M.

REP. RICK RIPLEY, Chairman

BRITT NELSON, Secretary

RR/bn

Additional Exhibits:

EXHIBIT ([jnh37aad0.TIF](#))